



Haringey Council

Agenda item:

[No.]

Cabinet Procurement Committee Meeting

On 27th April 2010

Report Title: **Novation of Contract with Lime Light Properties Limited for the provision of Integrated Supported Housing Services**

Report of: **Peter Lewis, Director for Children and Young Peoples Service**

Signed:

Contact Officer: Wendy Tomlinson  
Head of Service, Resources and Placements (Children in Care)  
Telephone: 0208 489 3635

Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report**

- 1.1. For Cabinet Procurement Committee to grant approval to implement a Novation of a contract as allowed under Contract Standing Order (CSO) 14.01, which transfers legal obligations from Lime Light Properties Limited to Christopher House (London) Limited for the provision of Integrated Supported Housing Services.

**2. Introduction by Cabinet Member**

- 2.1. I support the recommendation to implement a novation to transfer obligations from one company to another as this is in the best interests of the young people using the supported housing service.
- 2.2. I am confident that the appropriate procedures have been followed.

**3. State links with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. This Novation is pertinent to the Children and Young People's Service Business Plan.
- 3.1.1 **Objective - The Children and Young People's Service has a duty to provide Supported Housing Services to young people aged between 16-18 years old.**  
The contracted providers are expected to provide quality accommodation and support to vulnerable young people. This should enable the young people to achieve the five Every Child Matters outcomes and prepare them for independent living.



**4. Recommendation**

- 4.1. For Members to grant approval to implement a novation of contract in line with the CSO 14.01, which transfers legal obligations from Lime Light Properties Limited to Christopher House (London) Limited.

**5. Reasons for recommendation**

- 5.1. See Part B for exempt information.

**6. Other options considered**

- 6.1. See Part B for exempt information.

**7. Summary:**

- 7.1. Following a Tendering exercise a Framework Agreement for Provision of Integrated Support Housing Service was awarded to 12 organisations in June 2005. At present six of the original providers remain within the framework one of which is Lime Light Properties Limited.
- 7.2. Integrated Support Housing Service consist of key working support and accommodations for young people age 16 plus. The accommodation includes shared, studios and 1 bedroom flats that are situated within the community. The provider supplies an individual keyworking support package to each young person as part of the young person's Pathway Plan/Care Plan to enable the resident to prepare for independence.
- 7.3. Integrated Support Housing Services are not currently governed by any official body such as Ofsted or CSCI therefore it is essential that the local authority ensure that the provisions that are used are 'quality' provisions. The current framework allows the local authority to closely monitor all placements and improve the standards of service delivery.
- 7.4. The Council has developed a good working relationship with Limelight as a result there has been an improvement in the quality of the support offered to the young people placed with them.
- 7.5. The Director of Lime Light Properties Limited has taken voluntary administration and has now reorganised itself into a new company called Christopher House (London) Ltd. The changeover from one legal entity to another involves a transfer of the contract from one company to another. In line with the Contract Standing Orders this requires the Council to undertake a novation of the contract which will transfer the legal obligations under the current contract to the new company. The total estimated value of the Framework Agreements for 12 organisations were calculated at £3 million at the time of the award.
- 7.6. The Administrators overseeing the company's administration have confirmed that they have no objection to the transfer of the Framework Agreement to Christopher House



(London) Ltd.

- 7.7. Lime Light Properties Limited currently have approximately 15 Leaving Care and Unaccompanied Minor young people placed with them. For continuity of care and placement stability for these young people a novation of the framework agreement is required.
- 7.8. Since 2009 there has been a massive increase in the number of referrals for Integrated Support Housing accommodations following the 'Southwark Ruling'. The Council requires as many contracted providers as possible to enable the Council to adequately provide quality placements for the young people age 16 plus known to Leaving Care and Unaccompanied Minor teams.
- 7.9. Christopher House (London) Limited (trading as Limelight Properties) is a Haringey Housing Department preferred provider for Temporary accommodations and currently has approximately 150 placements of accommodations across the Council.
- 7.10. The Council is also aware of that other local authorities such as Camden, Barnet, Bedfordshire, Hackney have already moved over to Christopher House (London) Ltd and have been making placements with them.

## **8. Chief Financial Officer Comments**

- 8.1 See Part B for exempt information.

## **9. Head of Legal Services Comments**

- 9.1. As stated in the report, Christopher House (London) Limited has approximately 150 placements of accommodations across the Council. However, at present the Council has no formal legal relationship with them as our contract is with Lime Light Properties Limited. Accordingly, it would be in the Council's interest to novate the contract in order that the legal obligations transfer from Lime Light Properties Limited to Christopher House (London) Limited.
- 9.2. CSO 14.01 states that, in appropriate circumstances, the Council may agree to the novation of a contract. The decision must be taken based on the value of the contract at the date of award.
- 9.3. The value of the framework at the date of award exceeded £250,000 therefore the novation requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.4. The novation is also a key decision and, as such, has been included in the Council's Forward Plan (in accordance with CSO 11.04).
- 9.5. Subject to the comments contained in the exempt part of the report, the Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4 of the report.
- 9.6. Also see Part B for more comments



**10. Head of Procurement Comments**

- 10.1. The original Framework agreement was let in accordance with the Procurement Code of Practise
- 10.2. The recommendations as set out in paragraph 4 of the report will minimise the risk of any service failure as it puts in place a contractual relationship to ensure compliance with service standards.

**11. Equalities & Community Cohesion Comments**

- 11.1 Equalities implications were incorporated in the tendering process and the monitoring of contract performance.

**12. Consultation**

- 12.1. Consultation undertaken with relevant internal Council departments and the Administrators overseeing the administration of Lime Light Properties Ltd.

**13. Service Financial Comments**

- 13.1 See Part B for exempt information.

**14. Use of appendices /Tables and photographs**

- 14.1. See Part B for exempt information

**15. Local Government (Access to Information) Act 1985**

- 15.1. This report contains exempt and non exempt information. Exempt information is contained in Part B and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972 (3) information relation to the financial or the business affairs of any particular person (including the authority holding that information)